

Senate Study Bill 1061

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON ANGELO)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing the surcharge for certain dishonored negotiable
2 instruments.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2085SC 80
5 da/sh/8

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1 1 Section 1. Section 554.3512, subsection 1, Code 2003, is
1 2 amended to read as follows:
1 3 1. The holder of a dishonored check, draft, or order may
1 4 assess against the maker of that check, draft, or order a
1 5 surcharge of not more than the greater of ~~twenty~~ thirty
1 6 dollars or five percent of the face value of the check.
1 7 However, the amount of the surcharge shall not exceed ~~twenty~~
1 8 thirty dollars unless the check, draft, or order was presented
1 9 twice or the maker does not have an account with the drawee.
1 10 If the check, draft, or order was presented twice or the maker
1 11 does not have an account with the drawee, the amount of the
1 12 surcharge shall not exceed fifty dollars.

EXPLANATION

1 14 This bill amends Code section 554.3512 in Article 3 of the
1 15 Uniform Commercial Code regulating negotiable instruments
1 16 (providing a promise to pay an amount of money payable to the
1 17 bearer upon demand or at some definite time). The bill
1 18 increases the surcharge that may be assessed against checks,
1 19 drafts, or orders which are dishonored from \$20 to \$30.
1 20 LSB 2085SC 80
1 21 da/sh/8

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